

Message Text

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C O N F I D E N T I A L STATE 206402

EXDIS

E.O. 11652: GDS

TAGS: PINT, EFIN, CS

SUBJECT: PRESS REPORTS NEW INDICTMENT OF VESCO

1. WASHINGTON POST PAGE 2 STORY DATE-LINED NEW
YORK WRITTEN BY PHILIP GREER STATES:

"ROBERT L. VESCO HAS BEEN SECRETLY INDICTED BY A FEDERAL
GRAND JURY HERE, THE SECOND TIME THE PANEL HAS HANDED UP
A SEALED CHARGE AGAINST THE FUGITIVE FINANCIER.

THE LATEST INDICTMENT ACCUSES VESCO, THE FORMER CHAIRMAN
OF INTERNATIONAL CONTROLS CORP., OF USING \$50,000 IN ICC
FUNDS AS PART PAYMENT FOR A BLOCK OF STOCK IN INVESTORS
OVERSEAS SERVICES, LTD., THE SWISS FINANCIAL COMPLEX HE
IS ACCUSED OF LOOTING.

THE INDICTMENT, ACCORDING TO SOURCES HERE, WAS SOUGHT BY
GOVERNMENT PROSECUTORS IN THE HOPE THAT IT CAN BE USED
IN A NEW EFFORT TO EXTRADITE VESCO FROM COSTA RICA OR THE
BAHAMA ISLANDS, WHERE HE SPENDS MOST OF HIS TIME."
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2. AFTER BRIEFLY REVIEWING OTHER CHARGES AGAINST VESCO,
ARTICLE SAYS:

"THE LATEST INDICTMENT CENTERS ON THE TRANSFER OF \$50,000

IN ICC FUNDS TO C. HENRY BUHL III, A FORMER DIRECTOR OF

IOS-MANAGED FUNDS AND PORTFOLIO MANAGER FOR THE LARGEST
FUND IN THE GROUP.

IN AN AFFIDAVIT SUBMITTED LAST FEBRUARY IN CONNECTION WITH
THE SEC SUIT, LAURENCE B. RICHARDSON JR., FORMER PRESIDENT
OF INTERNATIONAL CONTROLS CORP., SAID HE WAS NEVER ABLE
TO GET AN EXPLANATION FOR THE PAYMENT WHICH WAS MADE IN
JANUARY 1972. DURING THE SUMMER, BUHL AND SEVERAL
FORMER ICC OFFICIALS WERE QUESTIONED ABOUT THE MONEY
BEFORE THE GRAND JURY.

THE EXISTENCE OF THE SECRET INDICTMENT WAS REVEALED IN
A COURT HEARING HELD HERE LAST MONTH TO DETERMINE THE
OWNERSHIP OF A YACHT CURRENTLY IMPOUNDED BY U.S. CUSTOMS
IN MIAMI. ATTORNEYS FOR ICC CONTEND THAT THE BOAT IS
OWNED BY VESCO AND SHOULD BE HELD TO SATISFY CLAIMS
MADE AGAINST HIM BY THE COURT-APPOINTED BOARD OF ICC.

ATTORNEYS FOR THE LISTED OWNER OF THE BOAT - EUSEBIO A.
MORALES, WHO THE COMPANY CLAIMS IS A VESCO ASSOCIATE -
HAVE ASKED THAT THE YACHT BE RELEASED. MORALES IS A
FORMER PANAMANIAN AMBASSADOR TO BRITAIN.

AT ONE OF SEVERAL HEARINGS HELD TO DETERMINE THE
OWNERSHIP OF THE YACHT, THE SPECIAL COUNSEL FOR ICC,
WHO WAS ALSO APPOINTED BY THE FEDERAL COURT, SAID THAT
THERE WERE CURRENTLY THREE INDICTMENTS OUTSTANDING
AGAINST VESCO. ONLY TWO - THE INDICTMENT WITH MITCHELL,
STANS AND SEARS AND ANOTHER FOR FRAUDULENT USE OF
INTERSTATE AND FOREIGN COMMUNICATIONS FACILITIES - WERE
PUBLICLY KNOWN.

3. ARTICLE BEING POUCHED.

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4. FYI - STORY IS TRUE. WE UNDERSTAND SEALED INDICTMENT
WILL BE MADE PUBLIC IN SEVERAL DAYS. AS INDICTMENT
IS STILL SEALED, EMBASSY CAUTIONED NOT TO COMMENT ON IT.
END FYI.

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